

MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE

Santa Fe, New Mexico

July 2, 2003

A regular meeting of the City of Santa Fe Public Utilities Committee was called to order on this date at approximately 5:15 p.m. in City Hall Council Chambers. Roll Call indicated the presence of a quorum, as follows:

Members Present:

Councilor Matthew E. Ortiz, Chair
Councilor Patti J. Bushee
Councilor David Coss
Councilor Rebecca Wurzburger

Members Absent:

Councilor Carol Robertson Lopez

Other Governing Body Members Present:

Councilor Karen Heldmeyer
Councilor David Pfeffer

Staff Present:

Mr. Galen Buller, Water Division
Mr. Kyle Harwood, City Attorney's Office
Ms. Luana Montoya, Public Utilities

APPROVAL OF AGENDA

Councilor Coss moved approval of the Agenda, as published. Councilor Bushee seconded the motion and it passed 4-0 by voice vote, with Councilor Bushee, Councilor Coss, Chair Ortiz and Councilor Wurzburger voting for, and none against.

INFORMATIONAL ITEMS

Update Current Water Supply Status and Outlook for 2003. (Gary Martinez, Source of Supply Manager, Water Division).

Water Systems Operations supervisor Michael Gonzales presented this report at Mr. Martinez' request.

Mr. Gonzales reviewed the Weekly Water Report dated June 29, 2003, with the following highlights:

- City well field weekly average: 3.44 mgd.
- Buckman well water production average: 5.63 mgd.
- Surface water facility production average: 3.992 mgd.
- Weekly average production of complete system: 13.66 mgd.
- Weekly demand average: 13.345 mgd.
- Las Campanas demand average: 1.48 mgd, most to the golf course.
- Reservoir levels currently at 81%; reservoir inflow average has been decreasing since snowpack is exhausted, to 1.33 mgd.

Mr. Gonzales also reviewed summary of weekly data comparisons versus previous years.

Responding to questioning from Councilor Bushee on expected reservoir levels throughout the summer, Mr. Gonzales said he calculated that the City would peak out at about 5 mgd, which should take the City into September with about 20-30% remaining in the reservoirs.

Councilor Coss said he would like City parks usage added to the Weekly Report. Chair Ortiz recalled seeing a sheet from Parks & Recreation at the last PUC meeting, and asked that Parks & Recreation be required to provide that report to Mr. Martinez on a regular basis.

PUC Work Plan (Rick Carpenter)

Mr. Harwood distributed a portion of the Work Plan that Councilor Bushee requested at the last PUC meeting. He said it included all of the professional service agreements that related to legal work that would fit into the long-term Work Plan.

Councilor Wurzbarger asked for a very brief description of each PSA so she and Councilor Bushee could better understand exactly what service each of the contractors was providing, as well as the total amount of money involved.

Following discussion, Mr. Harwood said he would provide a report under Matters From Staff, with Maya Martinez and Rick Carpenter, at the next PUC meeting.

Mr. Carpenter referred to the Work Plan in the packet and noted that most of it included items reviewed at previous updates or as part of presentations on the long-term water supply plan. He presented slides of the Work Plan, which covered the following topics: Water Supply & Management Components; Accomplishments/Issues in Spring 2003; Water Supply Priorities; Water Supply Enhancement Program; System Improvement Projects, and Water Rights Enhancements.

Referring to the Watershed thinning program, Chair Ortiz asked Mr. Carpenter if there are any plans from the Forest Service to increase or step up their thinning efforts.

Mr. Carpenter responded that this issue was on the TAG meeting agenda just two days ago, asking for a fairly aggressive funding schedule as well as additional staff for the Forest Service and the contractor doing the thinning. He said that, combined with a fairly aggressive burn schedule through NMED, should step up the project.

In reviewing issues facing the City in spring 2003 and beyond, and specifically project funding versus rate impacts, Mr. Carpenter said, "We're looking right now at funding plans for the various projects and the impacts that those are going to have on rates. We've got a model that's a very complicated, very involved model that we'll be bringing to the PUC in fairly short order. Mostly notably that would be the impact of the Buckman Direct Diversion project, but other projects as well."

Chair Ortiz asked that a presentation on the rate impacts on the funding for the diversion project be made at the first PUC meeting in August.

In the course of responding to questioning on the water rights expansion program, Mr. Carpenter said the City is in discussions for purchase of water rights to transfer into the City well field or purchase of water rights to retire on the Tesuque and Pojoaque tributaries for offsetting rights in the Buckman pumping. Additionally, he said, the City is looking at Middle Rio Grande rights and is also negotiating for an expanded storage contract in Abiquiu and potentially El Vado.

Chair Ortiz suggested that the City Council have an executive session at its next meeting to discuss water rights enhancements in more detail.

In discussing Buckman Diversion critical path milestones, Mr. Carpenter said the City is currently in an information-gathering mode on project delivery methods. He commented that a lot of thought had not been given to this prior to about a month ago, but at issue are project funding, project costs, shifting of risks, schedule, quality of the projects, and the control the City has over the project while under construction. He said a couple of workshops with specialists are planned, with wrap ups planned mid July, and staff hopes to return to the PUC or the full Council with a report and recommendations.

Chair Ortiz suggested that this item be scheduled at the first PUC meeting in August. Mr. Carpenter said that was not a problem.

Councilor Bushee asked if the executive session on water rights could include the wheeling agreement, since they have had information that the Council hasn't been able to receive for a while, now.

Chair Ortiz said that was a good point — it is a contract, but is different from the acquisition of water rights, which is specific.

Councilor Bushee asked if the session could also include the whole San Juan-Chama and BOR issue, and Chair Ortiz said he didn't think that was possible to discuss in executive session.

Councilor Bushee pointed out that that was a contract or a lease, too.

Chair Ortiz said he did not see how all of these things could be tied together in one executive session, and Councilor Bushee pointed out that they all involve the County. She also pointed out that the wheeling agreement has been discussed in executive session previously, when the City was discussing negotiations.

Staff agreed to consult with the City Attorney's Office to see if the wheeling agreement could be scheduled in executive session; and if not, the City Attorney would be asked to speak directly with Councilor Bushee.

Report on Unaccounted-for Water. (Galen Buller)

Water Division engineer Robert Jorgensen called the Committee's attention to a report prepared by Rate Analyst Dennis Gee on lost and unaccounted-for water, determined by Mr. Gee to be 10.3%, meaning that the City produced more water than it billed for.

Mr. Jorgensen noted that Mr. Gee also referred to some general benchmarks, e.g., a system with a 10% loss rate is marginally acceptable; a 5% loss is considered, at least in the United States, to be a very good number; and 15% would call for immediate attention.

Mr. Jorgensen stated that the leak analysis survey done last summer shows that the City was losing about 1% of water through leakage. He commented that this figure is more art than science, since it is based on listening to leaks and categorizing them; but basically, the City has a “fairly tight” water system as far as leakage goes. He said the customer leaks were almost as big as the water system leaks, speaking in rough figures.

Mr. Jorgensen said a contract will be brought forward soon for a very comprehensive water audit that will include a look at metering practices, maintenance operations, meter age analysis, correct sizing of meters, analysis of the leak survey, main and service leak records, etc. He stated that the audit would also include a look at per capita figures by district so the City can tell if there are areas with higher unaccounted-for water.

Mr. Jorgensen said staff would also try to formalize what will make the most sense for the Santa Fe water system. He stated that the overall goal of a comprehensive audit is to try to get the City into an annual audit format, but looking at more factors than simply dividing production figures by billing figures. He said staff wants to get down to where there is a benchmark for each category, creating a tool that will be consistent for use each year.

Councilor Heldmeyer asked if she understood correctly that, while the audit would not by itself identify people who are getting water without being meter, it would give some ideas of where to look.

Mr. Jorgensen responded that this was correct. He said the concept is to discover, through the analysis, what production and consumption is for a particular area and then note where consumption seems excessive.

Councilor Heldmeyer said Mr. Gee has expressed the opinion that there may be a substantial number of people who are not metered, which is a loss of water as well as revenue.

Mr. Jorgensen stated, in the course of further discussion, that he did not believe the City had a major amount of illegal connections, since it would take experience to punch into a pipe between 60 and 120 psi. He commented that someone not doing that correctly would be seriously hurt or even killed.

Councilor Bushee asked Mr. Jorgensen, “My understanding through the billing process is that they’re really going after sewer connections, and if there was a vacant lot, they’re making you come in and do a whole vacancy credit deal.”

Mr. Jorgensen responded that this would be another way of looking at it, and Councilor Bushee asked if the City has the capacity to do that right now through available software and staff, and Mr. Jorgensen responded that he did not know.

Councilor Bushee asked for more information on this aspect, since that would be one way to start catching up.

ACTION ITEMS

Request Approval of Bill No. 2003-____. (Councilors Pfeffer and Coss.) An Ordinance Creating a New Section 25-2.10 SFCC 1987 Creating a Voucher Program for Water Conservation Methods Including a Rainwater Harvesting Barrel Program.

Chairman Ortiz noted that everyone present with the exception of Councilor Coss were at last Monday’s Finance Committee, when this was discussed.

Chair Ortiz said the Action Sheet from the Finance Committee did not reflect the following change, which he explained for Councilor Coss’ benefit:

To strike paragraph 7 in the ordinance and replace it with:

Any dealer entitled to authorize or issue any voucher shall
warrant the cost of any rain barrel in advance of implementation
of this program.

Chair Ortiz also stated that the Committee referred the ordinance back to the Water Conservation Committee for a definition of “rain barrel.”

Councilor Coss said he hoped to see many more water conservation devices, indoor and outdoor, become a part of the City’s conservation program without involving a lot of paperwork on the part of citizens wishing to participate.

Councilor Bushee observed that the Fiscal Impact Report has been reduced by \$40,000 since the Finance Committee meeting.

Water Wise program director Maya Martinez explained that the FIR had originally been in draft form. She said one additional staff person will be hired through this fiscal year to help out, and that person could be used to help start off the program,

but otherwise existing staff will be able to absorb the program. She said the Water Conservation Office may need additional basic operating expenses such as a computer and a printing budget.

Ms. Martinez further explained that the Water Conservation Committee will probably put the program together and work out the details.

Councilor Bushee said she looked forward to hearing more details on this program.

Councilor Heldmeyer said one of the advantages of vouchers is more simplicity and less staff handling of things, and she would like the Water Conservation Committee to look at whether some of the changes proposed by Chair Ortiz make it more complicated. She noted that his recommendations now mean that vendors will have to be authorized and the price has to be verified in some way.

In discussion, Councilor Bushee said she did not see it as a priority to send “water cops” out to check on rain barrels, although she would be interested in knowing how Albuquerque handles this issue.

Councilor Coss agreed that checking on rain barrels should not be a high priority: “I think people who go to the trouble of going through this program are going to probably install them.” He said he thought it reasonable to say in the ordinance that an inspector might come by.

Councilor Wurzbarger moved for approval, with the amendments approved at the Finance Committee. Councilor Coss seconded the motion, which passed, with Chair Ortiz, Councilor Coss and Councilor Wurzbarger voting for, and Councilor Bushee abstaining for further information.

**Request Approval of Bill No. 2003-____. (Councilor Lopez)
An Ordinance Repealing Ordinances 1986-67 and 1986-68 and
Granting a New Non-exclusive Franchise to Comcast Cablevision
of New Mexico, Inc. (aka Comcast Communications of New Mexico,
Inc. and Comcast Cable Communications of New Mexico, Inc.)
(“Comcast”) to Construct, Operate and Maintain a Cable System
in the Public Rights-of-way and to Provide Cable Service Within a
Franchise Area With the City of Santa Fe; Establishing Terms and
Conditions of the Franchise Renewal (Appendix “H” Cable
Television Franchises). (Rick Carlisle)**

Mr. Carlisle explained that this new ordinance will enforce the agreement that was approved on February 12 and went into effect April 1. He said nothing in the agreement changes.

Councilor Wurzbarger moved for approval. Councilor Coss seconded the motion.

Councilor Bushee asked Mr. Carlisle how the consumer registers complaints or concerns through the City. She said she has received complaints over the years.

Mr. Carlisle responded that he was administrator of the franchise, so would take all calls and deal directly with Comcast. He remarked that things have improved somewhat, but he still receives many complaints about bills increasing between \$4 and \$40, which Comcast explains is because of the franchise fee increase, which in fact is only 37 cents per subscriber per month. He said he will be meeting with Comcast next week about this issue.

Councilor Bushee said she would propose that Comcast be required to boldly and clearly spell out the franchise fee. She stated that many people feel that Comcast is abusing the billing system by passing off their increases as franchise fees.

Mr. Carlisle explained that the City cannot do anything about that because it is a non-regulatory body, but he certainly can make recommendations to the FCC, and plans to do so.

The motion passed 4-0 by voice vote.

Items From Staff

None.

Items From Committee

Councilor Coss thanked the Water Conservation Committee as well as staff for putting together the recent Water Fair at Santa Fe Community College. He said this was one of the first investments of the Water Conservation Fund — only \$5,000 — and he thought the results were excellent.

Agenda Items for July 16, 2003

No discussion.

ADJOURN

Its business completed, the Public Utilities Committee adjourned the meeting at approximately 6:30.

Approved by:

Councilor Matthew E. Ortiz, Chair

Submitted by:

Judith S. Beatty, Committee Reporter